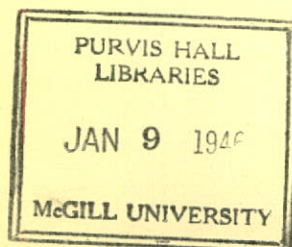


**CANADIAN  
GENERAL  ELECTRIC  
COMPANY  
LIMITED**

**ANNUAL  
REPORT  
1936**



PRICE, WATERHOUSE & CO.

Royal Bank Building,  
Toronto

March 12, 1937

To the Shareholders of the  
Canadian General Electric Company, Limited.

We have made an examination of the Balance Sheet of Canadian General Electric Company, Limited, as at December 31, 1936, and of the statement of Income and Earned Surplus for the year ending on that date. In connection therewith we examined or tested accounting records and other supporting evidence and obtained all the information and explanations that we required; we also made a general review of the accounting methods but we did not make a detailed audit of the transactions.

The charges during the year to the property accounts represent only actual additions, extensions or permanent improvements and a provision of \$658,494.75 has been made from the operations of the year for depreciation of plants. The stocks of raw material, supplies, work in progress and manufactured products were taken in accordance with the Company's usual custom and have been certified to by responsible officials. The valuations have been accurately made on the basis of cost or market, whichever was lower, less reserves. Adequate provision has been made for doubtful accounts receivable and for all ascertainable liabilities. The investment securities and cash have been confirmed by certificates from the banks in which the securities are held in custody, or by actual inspection.

In accordance with section 114 of the Companies Act, 1934, we report that dividends received from subsidiary companies are included in income from investments and, in our opinion, such dividends in 1936 exceeded by \$12,361.53 the Company's share of the aggregate of profits and losses of all its subsidiaries. Earnings and losses of subsidiary companies are carried in the surplus or deficit accounts of the subsidiary companies.

We report that in our opinion, based upon such examination, the attached balance sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs as at December 31, 1936, according to the best of our information and the explanations given to us, and as shown by the books of the Company.

PRICE, WATERHOUSE & CO.,  
Auditors.

## STATEMENT OF INCOME AND EARNED SURPLUS

YEAR ENDED DECEMBER 31, 1936

|                                                   |                |                |
|---------------------------------------------------|----------------|----------------|
| Income from operations,<br>before deductions..... | \$2,341,931.51 |                |
| Income from investments.....                      | 711,888.31     |                |
| Profit from securities sold.....                  | 23,027.08      |                |
|                                                   | <hr/>          | \$3,076,846.90 |

|                                                  |               |              |
|--------------------------------------------------|---------------|--------------|
| Depreciation.....                                | \$ 658,494.75 |              |
| Income taxes.....                                | 459,052.94    |              |
| Salaries of officials and<br>legal expenses..... | 147,887.18    |              |
| Directors' fees.....                             | 20,623.46     |              |
|                                                  | <hr/>         | 1,286,058.33 |

|                              |                |
|------------------------------|----------------|
| Net income for the year..... | \$1,790,788.57 |
|------------------------------|----------------|

|                                        |              |
|----------------------------------------|--------------|
| Earned surplus at January 1, 1936..... | 5,382,956.85 |
|----------------------------------------|--------------|

|                                             |                |
|---------------------------------------------|----------------|
| Earned surplus available for dividends..... | \$7,173,745.42 |
|---------------------------------------------|----------------|

|                                |              |              |
|--------------------------------|--------------|--------------|
| Dividends on preferred stock.. | \$ 71,563.97 |              |
| Dividends on common stock...   | 944,225.00   |              |
|                                | <hr/>        | 1,015,788.97 |

|                                          |                       |
|------------------------------------------|-----------------------|
| Earned surplus at December 31, 1936..... | <u>\$6,157,956.45</u> |
|------------------------------------------|-----------------------|



CANADIAN GENERAL ELE  
BALANCE SHEET,

ASSETS

**Current assets:**

|                                                                      |                               |
|----------------------------------------------------------------------|-------------------------------|
| Cash.....                                                            | \$ 1,120,697.70               |
| Government bonds.....                                                | 7,440,000.00                  |
| (Market value \$8,269,887.50)                                        |                               |
| Accounts and notes receivable, less reserves                         | 2,189,327.29                  |
| Inventories at the lower of cost or market value, less reserves..... | 4,769,676.10                  |
|                                                                      | <u>\$15,519,701.09</u>        |
| Less: Advance collections on contracts..                             | 1,950,904.53                  |
| <b>Total current assets.....</b>                                     | <b><u>\$13,568,796.56</u></b> |

**Other assets:**

|                                           |                               |
|-------------------------------------------|-------------------------------|
| Investment securities, less reserves..... | \$ 3,260,754.08               |
| (Market value \$4,547,566.33)             |                               |
| Securities of subsidiary companies.....   | 325,500.00                    |
| Employees' savings plan.....              | 150,417.74                    |
| Prepaid expenses.....                     | 16,531.04                     |
| <b>Total other assets.....</b>            | <b><u>\$ 3,753,202.86</u></b> |

**Fixed assets:**

|                                                                                                                   |                               |
|-------------------------------------------------------------------------------------------------------------------|-------------------------------|
| Manufacturing plant including land, buildings and machinery; head office and branch office properties; at cost... | \$15,900,176.87               |
| Less: Depreciation reserves.....                                                                                  | 7,430,518.99                  |
|                                                                                                                   | <u>\$ 8,469,657.88</u>        |
| Patents and franchises.....                                                                                       | 1.00                          |
| <b>Total fixed assets.....</b>                                                                                    | <b><u>\$ 8,469,658.88</u></b> |
|                                                                                                                   | <u><u>\$25,791,658.30</u></u> |

A. E. DYMENT, Chairman of the Board.  
D. C. DURLAND, President.

CTRIC COMPANY, LIMITED  
DECEMBER 31, 1936

LIABILITIES AND CAPITAL

Current liabilities:

|                                           |                 |
|-------------------------------------------|-----------------|
| Accounts payable.....                     | \$ 1,168,790.67 |
| Taxes payable.....                        | 520,782.00      |
| Dividend declared on preferred stock..... | 18,437.50       |
| Dividend declared on common stock.....    | 236,056.25      |

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|                                |                 |
|--------------------------------|-----------------|
| Total current liabilities..... | \$ 1,944,066.42 |
|--------------------------------|-----------------|

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|                      |                 |
|----------------------|-----------------|
| General reserve..... | \$ 6,272,385.43 |
|----------------------|-----------------|

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|                      |               |
|----------------------|---------------|
| Pension reserve..... | \$ 500,000.00 |
|----------------------|---------------|

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Capital stock:

Special Employees' Preferred:

Authorized—50,000 shares, par value  
\$50.00 (callable at par).

|                           |                 |
|---------------------------|-----------------|
| Issued—29,500 shares..... | \$ 1,475,000.00 |
|---------------------------|-----------------|

Common:

|                                                                 |              |
|-----------------------------------------------------------------|--------------|
| Authorized and issued—188,845 shares,<br>par value \$50.00..... | 9,442,250.00 |
|-----------------------------------------------------------------|--------------|

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|                          |                 |
|--------------------------|-----------------|
| Total capital stock..... | \$10,917,250.00 |
|--------------------------|-----------------|

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|                                          |                 |
|------------------------------------------|-----------------|
| Earned surplus at December 31, 1936..... | \$ 6,157,956.45 |
|------------------------------------------|-----------------|

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|  |                 |
|--|-----------------|
|  | \$25,791,658.30 |
|--|-----------------|

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The auditors' report to the Shareholders appears on the first page.

ANNUAL REPORT OF THE DIRECTORS  
TO THE SHAREHOLDERS OF  
CANADIAN GENERAL ELECTRIC COMPANY, LIMITED  
TORONTO, CANADA MARCH 17, 1937

The Board of Directors submit herewith the Balance Sheet of your Company as of December 31, 1936, and Statement of Income and Earned Surplus, certified by the Company's Auditors, Price, Waterhouse & Co., Chartered Accountants.

Orders received and sales billed in 1936 were larger in volume than during the previous year, the improvement extending over the entire range of the Company's products.

Net profits for the year, after deduction of all charges for expenses, depreciation and income taxes, amounted to \$1,790,788.57, as compared with \$1,596,025.14 in 1935, an increase of \$194,763.43. After providing for dividends on the special employees' preferred stock, the net profits were equivalent to \$9.10 per share on the common stock.

Dividends on the special employees' preferred stock, at the rate of 5% per annum, amounted to \$71,563.97. Dividends on the common stock, at \$5.00 per share, amounted to \$944,225.00. Dividends for the year aggregated \$1,015,788.97, and an amount of \$774,999.60 was added to earned surplus, making the balance in that account \$6,157,956.45 at December 31, 1936.

Current assets amounted to \$13,568,796.56, while current liabilities totaled \$1,944,066.42. The excess of current assets over current liabilities, or working capital, amounted to \$11,624,730.14, an increase of \$1,669,001.68. The ratio of current assets to current liabilities was approximately 7 to 1.

The Company has no funded debt, notes payable, or other interest bearing obligations of any kind.

Cash amounted to \$1,120,697.70, Government bonds totaled \$7,440,000.00, and investment securities amounted to \$3,260,754.08. These items totaled \$11,821,451.78,



as compared with \$11,145,568.45 at December 31, 1935, an increase of \$675,883.33. Government bonds are carried in the Balance Sheet at the lower of par or market value, and investment securities are carried at values not exceeding either cost or market. Securities of subsidiary companies are conservatively valued at \$325,500.00, and the dividends received during the year are included in income from investments.

Accounts and notes receivable, after adequate reserves for possible losses, amounted to \$2,189,327.29, as against \$1,857,993.10 at December 31, 1935, an increase of \$331,334.19.

In accordance with the Company's established practice, inventories have been valued on the basis of cost or market, whichever was the lower, and appropriate reserves have been provided for obsolescence and shrinkage in value. Inventories, including installation work in progress, amounted to \$4,769,676.10 on December 31, 1936, as compared with \$5,121,987.24 the previous year, a decrease of \$352,311.14.

Capital expenditures in 1936 for additions and replacements at manufacturing plants, offices and warehouses amounted to \$329,336.00 and depreciation for the year was \$658,494.75. There was a reduction of \$350,275.63 in the net book value of plants and other properties.

There has been appropriated from the general reserve an amount of \$500,000.00 as a pension reserve to provide for future payments to employees retired on pension.

During 1936 there were issued an additional 3,500 shares of special employees' preferred stock, having a par value of \$175,000.00, making the total issued capital stock at December 31, 1936, \$10,917,250.00, as compared with \$10,742,250.00 at the end of the previous year.

The Employees' Savings and Investment Plan was introduced in 1927, to afford the employees an opportunity to conveniently invest their savings in the Company with which they are employed. Under the provisions of the plan employees may purchase the special employees' preferred shares upon favorable terms. A total of 29,500

shares have been issued for purchase by employees under the plan, of which 27,121 shares having a par value of \$1,356,050.00 represented the employees' holdings at December 31, 1936. During the ten years the plan has been in operation the employees have received \$726,131.11 in dividends and extra payments. An extra payment, equal to 2% of the par value of the shares held under the plan, is being made to employees for the year 1936. The employees will be given an opportunity to subscribe for additional stock on April 1, 1937.

The Board of Directors and Officers take pleasure in again expressing their appreciation of the loyal and co-operative services rendered by the employees of the Company.

A. E. DYMENT, Chairman.  
D. C. DURLAND, President.



## EXECUTIVE OFFICERS

|                                     |                                 |
|-------------------------------------|---------------------------------|
| A. E. DYMENT, Chairman of the Board | D. C. DURLAND, President        |
| STEPHEN HAAS, Vice-President        | J. J. ASHWORTH, General Manager |
| E. I. JENKING, Treasurer            | H. M. TURNER, Comptroller       |
| W. H. NESBITT, Secretary            |                                 |

## BOARD OF DIRECTORS

A. E. DYMENT, CHAIRMAN OF THE BOARD.  
DIRECTOR, ROYAL BANK OF CANADA.  
DIRECTOR, CANADA & DOMINION SUGAR COMPANY, LIMITED

D. C. DURLAND, PRESIDENT.

STEPHEN HAAS, VICE-PRESIDENT.  
PRESIDENT, GEO. H. HEES, SON & COMPANY, LIMITED.  
DIRECTOR, ROYAL BANK OF CANADA.

J. J. ASHWORTH, GENERAL MANAGER.

H. C. COX.  
CHAIRMAN, CANADA LIFE ASSURANCE COMPANY.  
DIRECTOR, CANADIAN BANK OF COMMERCE.

SIR HERBERT HOLT.  
CHAIRMAN, MONTREAL LIGHT, HEAT & POWER CONSOLIDATED.  
CHAIRMAN, ROYAL BANK OF CANADA.

HON. F. B. McCURDY.  
PRESIDENT, EASTERN TRUST COMPANY.  
DIRECTOR, BANK OF NOVA SCOTIA.

R. S. McLAUGHLIN.  
PRESIDENT, GENERAL MOTORS OF CANADA, LIMITED.  
VICE-PRESIDENT, DOMINION BANK.

JAMES A. RICHARDSON.  
PRESIDENT, JAMES RICHARDSON & SONS, LIMITED.  
DIRECTOR, CANADIAN PACIFIC RAILWAY.

HON. W. D. ROSS.  
DIRECTOR, BANK OF NOVA SCOTIA.  
DIRECTOR, INTERNATIONAL POWER COMPANY.

G. HARRISON SMITH.  
PRESIDENT, IMPERIAL OIL LIMITED.  
DIRECTOR, ROYAL BANK OF CANADA.

JULIAN C. SMITH.  
PRESIDENT, THE SHAWINIGAN WATER & POWER COMPANY, LIMITED.  
PRESIDENT, MONTREAL TRAMWAYS COMPANY.

A. M. STEWART, K.C.

# CANADIAN GENERAL ELECTRIC COMPANY LIMITED

## HEAD OFFICE

212-218 KING STREET WEST, TORONTO, ONT.

## BRANCH OFFICES

|                    |                    |
|--------------------|--------------------|
| HALIFAX, N.S.      | SUDBURY, ONT.      |
| SYDNEY, N.S.       | FORT WILLIAM, ONT. |
| ST. JOHN, N.B.     | WINNIPEG, MAN.     |
| MONTREAL, QUE.     | CALGARY, ALTA.     |
| QUEBEC, QUE.       | EDMONTON, ALTA.    |
| OTTAWA, ONT.       | REGINA, SASK.      |
| HAMILTON, ONT.     | SASKATOON, SASK.   |
| LONDON, ONT.       | NELSON, B.C.       |
| WINDSOR, ONT.      | VANCOUVER, B.C.    |
| NEW LISKEARD, ONT. | VICTORIA, B.C.     |

## MANUFACTURING PLANTS

|                                   |                    |
|-----------------------------------|--------------------|
| PETERBOROUGH WORKS                | PETERBOROUGH, ONT. |
| DAVENPORT WORKS                   | TORONTO, ONT.      |
| WARD STREET WORKS                 | TORONTO, ONT.      |
| EDISON MAZDA LAMP WORKS           | TORONTO, ONT.      |
| VACUUM TUBE WORKS                 | TORONTO, ONT.      |
| ARCHITECTURAL BRONZE & IRON WORKS | TORONTO, ONT.      |
| ROCKFIELD WORKS                   | LACHINE, QUE.      |





